
A BILL FOR AN ACT

RELATING TO TIME SHARE PLANS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 514E, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§514E- Existing owner purchase exemptions. (a)

5 Notwithstanding any other provision of this chapter, the offer
6 or sale, in this state, of an additional interest in a time
7 share plan to an existing purchaser in the same time share plan
8 shall not be subject to the provisions of this chapter if:

9 (1) The purchaser has the right to cancel the purchase
10 contract within seven days after the execution of the
11 contract to purchase;

12 (2) The purchaser is provided the time share disclosure
13 documents the purchaser would have received if the
14 purchase had occurred in the state or jurisdiction
15 where the purchaser initially purchased the time share
16 interest; and

17 (3) The developer has a time share plan currently
18 registered with the department of commerce and



1 consumer affairs; provided that the registration was
2 originally approved or amended within seven years from
3 the date of the offer or disposition, and the
4 registration has not been terminated or withdrawn.

5 (b) Notwithstanding any other provision of this chapter,
6 the offer or sale by a developer, in this state, of a time share
7 interest in a time share plan located and registered in a state
8 other than this state to an individual who currently owns a time
9 share interest that was purchased from that developer shall be
10 exempt from the registration requirement and this chapter;
11 provided that:

12 (1) The developer shall provide the purchaser with all
13 time share disclosure documents required to be
14 provided to purchasers as if the offer occurred in the
15 state or jurisdiction where the time share plan is
16 located;

17 (2) The contract for purchase shall include a notice that
18 is the same as or similar to the rescission notice
19 required pursuant to section 514E-9(a)(7) and the
20 rescission period shall be at least seven days;

21 (3) All funds and negotiable instruments received during
22 the seven-day rescission period shall be subject to



1 the escrow requirements of section 514E-16; provided
2 further that for escrow accounts maintained outside of
3 this state, the escrow agent shall submit to personal
4 jurisdiction in this state;

5 (4) The offer shall be subject to sections 514E-11 and
6 514E-11.1;

7 (5) The developer shall provide the purchaser, in writing,
8 either in the disclosure documents or otherwise, all
9 of the following:

10 (A) A description of the type of time share plan
11 offered, including the duration and operation of
12 the time share plan;

13 (B) A description of the existing or proposed
14 accommodations and amenities in the time share
15 plan;

16 (C) A description of the method and time for
17 performing maintenance on the accommodations;

18 (D) If applicable, copies of the declaration,
19 association articles of incorporation,
20 association bylaws and association rules and
21 regulations; and



1 (E) The current annual budget for the time share
2 plan;

3 (6) The developer has a time share plan currently
4 registered with the department of commerce and
5 consumer affairs; provided that the registration was
6 originally approved or amended within seven years from
7 the date of the offer or disposition, and the
8 registration has not been terminated or withdrawn;

9 (7) The time share plan being offered is located and
10 registered in a state with registration requirements
11 that are equivalent to the requirements of this state
12 with regard to disclosure statements under section
13 514E-9 and blanket lien protections under section
14 514E-19;

15 (8) The contract for purchase shall contain the following
16 statement in conspicuous type:
17 "This time share plan has not been reviewed or
18 approved by the State of Hawaii. The time share
19 interest you are purchasing requires certain
20 procedures to be followed in order for you to use your
21 interest. These procedures may be different from
22 those followed in other time share plans. You should



1 read and understand these procedures prior to
2 purchasing."; and

3 (9) The developer has not, during the two-year period
4 preceding the time of the offer:

5 (A) Had a time share registration suspended,
6 restricted, or revoked; or

7 (B) Been convicted of any crime based upon an act of
8 fraud or dishonesty.

9 (c) Prior to offering an out-of-state time share plan
10 pursuant to subsection (b), the developer shall provide notice
11 of the plan to the department of commerce and consumer affairs
12 on a form as set forth in subsection (d), along with payment of
13 a one-time fee of \$1,000 per time share plan. Upon receipt by
14 the department of the notice and fee, the filing shall be deemed
15 accepted and the offering of the time share plan shall be
16 permitted in accordance with this section.

17 (d) The notice required under subsection (c) shall be
18 signed by an officer or principal of the developer and shall
19 contain the following information:

20 (1) The name and principal address of the developer;

21 (2) The name and address of the time share plan being
22 offered;



- 1 (3) The name and address of the managing entity of the
- 2 time share plan;
- 3 (4) The form of business entity of the developer; and
- 4 (5) The name, address, and telephone number of the officer
- 5 or principal signing the notice on behalf of the
- 6 developer."

7 SECTION 2. This Act does not affect rights and duties that

8 matured, penalties that were incurred, and proceedings that were

9 begun, before its effective date.

10 SECTION 3. New statutory material is underscored.

11 SECTION 4. This Act shall take effect on July 1, 2025.



Report Title:

Time Share Plans; Exemptions

Description:

Exempts from the time share law the offer or sale of an additional interest in a time share plan to an existing purchaser in the same time share plan; provided that certain conditions are met. Exempts from the time share law the offer or sale by a developer, in Hawaii, of a time share interest in a time share plan located outside of Hawaii to an individual who currently owns a time share interest that was purchased from the developer; provided that certain requirements are met. (HB2372 HD2)

